

Additional Funding for Mental Health Risk Pool Senate File 2023

Last Action:

Senate Floor

January 22, 2008

Executive Summary Only

An Act relating to the distribution to counties of certain utility replacement tax revenues credited to the property tax relief fund and providing an effective date.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

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EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

SENATE FILE 2023 ADDITIONAL FUNDING FOR MENTAL HEALTH RISK POOL

BACKGROUND

Current statute requires utility replacement generation tax revenues to be deposited in the property tax relief fund and distributed to counties for property tax relief. Senate File 2023 requires replacement generation tax revenues generated by the sale of the Palo nuclear power facility to be credited to the mental health risk pool and used for excess mental health costs rather than being distributed to the counties for property tax relief.

Under current law a taxpayer that acquires a new electric power generating plant and has no operating property in Iowa is required to pay the replacement generation tax, which is credited to the Property Tax Relief Fund. The Palo facility (near Cedar Rapids) was recently purchased by a Florida company with no other facilities in Iowa.

FISCAL IMPACT

Senate File 2023 amends the risk pool and states that the amount available for distribution from the risk pool is limited to the unencumbered and unobligated balance of the risk pool on February 1, of that fiscal year. For FY 2008, with only one of the two annual payments made, the risk pool will have \$627,145 in additional funds. In FY 2009 and beyond there will be \$1,254,290 available for distribution.